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Development of good-neighbourly relations among Balkan States

Maintenance of international security: stability and development of South-Eastern Europe

Letter dated 23 February 2001 from the Permanent Representative of the former Yugoslav Republic of Macedonia to the United Nations addressed to the Secretary-General

I have the honour to transmit herewith the text of the Summit Declaration of the Heads of State and Government of participating and observer countries to the South-East European Cooperation Process and the Action Plan for Regional Economic Cooperation adopted at the Summit held in Skopje, Republic of Macedonia, on 23 February 2001 (see annex).*

I should be grateful if you would have the present letter and its annex circulated as a document of the General Assembly, under agenda items 66 and 67 (b), and of the Security Council.

(*Signed*) Naste **Calovski**
Ambassador
Permanent Representative

* The annex is being circulated in the language of submission only (English).

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Annex to the letter dated 23 February 2001 from the Permanent Representative of the former Yugoslav Republic of Macedonia to the United Nations addressed to the Secretary-General

Summit Declaration of the Heads of State and Government of South-East European Countries

Skopje, 23 February 2001

We, the Heads of State and Government of the participating and the observer countries in the South-East European Cooperation Process, Boris Trajkovski, Ion Iliescu, Vojislav Kostunica, Zivko Radisic, Petar Stoyanov, Bulent Ecevit, Ljubco Georgievski, Ilir Meta, Costas Simitis and the Deputy Prime Minister, Goran Granic, met in Skopje on February 23, 2001, at the Fourth Summit in the framework of the SEECP. Present at the meeting were the Ministers of Foreign Affairs of these countries, Mr. Ismail Cem, Mr. Mircea Geoana, who is also the Chairman in Office of the OSCE, Mr. Srgjan Kerim, Mrs. Nadezhda Mihaylova, Mr. Paskal Milo, Mr. George Papandreou, Mr. Jadranko Prlic and Mr. Goran Svilanovic, as well as Deputy Foreign Minister Mrs. Vesna Cvjetkovic - Kurelec. Mr. Christopher Patten, External Relations Commissioner in the European Commission, Mr. Javier Solana, Secretary General of the Council of EU/High Representative for Common Foreign and Security Policy and Mr. Bodo Hombach, Special Coordinator for the Stability Pact also participated at the Summit as special guests of the Chairman-in-Office.

The Summit represented yet another opportunity to contribute to the realization of our common commitments to building peace, stability and progress of our countries and in South Eastern Europe as a whole. We have discussed the prospects for further strengthening of good neighborly relations, stability, security and democracy in this part of the European continent and we have exchanged views with regard to the current developments. Furthermore, we have assessed the cooperation within the SEECP and the future prospects for its enhancement in view of our countries faster integration in the European and Euro-Atlantic structures.

We have reaffirmed the commitments contained in the SEECP Summit and Ministerial Declarations and the Charter on Good-Neighborly Relations, Stability, Security and Cooperation in South Eastern Europe, based on the principles of the UN Charter, the Helsinki Final Act, including all ten principles referred therein, namely, sovereign equality, respect for rights inherent to sovereignty, refraining from the threat or use of force, inviolability of frontiers, territorial integrity of the States, peaceful settlement of disputes, non - intervention in internal affairs, respect for human rights and fundamental freedoms, including the freedom of thought, conscience, religion or belief, equal rights and self - determination of peoples, cooperation among States, fulfillment in good faith of obligations under international law. We have emphasized the importance of the regional cooperation as a means for

enhancement of the good neighborly relations, stability and economic development of our countries. SEECP is an important regional framework for promoting regional cooperation, thus bringing our countries and peoples closer to each other, enhancing regional stability and European integration. In this context, we have welcomed the adhesion of the Federal Republic of Yugoslavia (FRY) and Bosnia and Herzegovina to the SEECP Charter, that formally reflecting the re-joining of FRY, as well as the gaining of full SEECP participating status by Bosnia and Herzegovina.

After one decade of wars and conflicts that affected the region, our countries have now a new opportunity to contribute with their resources to the common task of bringing enhanced economic and social progress in the entire South East European region. Convinced that promotion of the regional economic cooperation will also contribute the SEECP countries to develop faster and to accelerate their integration processes into the EU, we have adopted today an Action Plan for Regional Economic Cooperation. This document outlines priority areas for regional cooperation where immediate progress is possible, addressing both reforms that our countries are undertaking and the faster economic development of the region.

We have welcomed the results of the SEE Economic Forum held in Skopje on 22nd February 2001, where the Ministers, high ranking government representatives and businessmen from the region have met and discussed the possibilities for further promotion of the economic cooperation within the SEECP.

Convinced that the future of the countries in the region lies in their integration in the European and Euro-Atlantic structures, we have welcomed the fact that now all SEECP countries have been included in the European integration processes. While at different stages, they all strive to achieve the necessary progress, assisted by the European Union. Acting in solidarity, we believe that regional cooperation in SEE will promote these processes.

Enhanced cooperation in overcoming and resolution of the remaining issues and problems, in the spirit of equality and mutual understanding, contributes to the strengthening of good-neighborly relations, security and stability in the region. In this context, we have noted with satisfaction the signing of the Agreement on Delineation of the Border between the two countries by the Presidents Trajkovski and Kostunica.

We have stressed the importance of the Stability Pact, as a means of strengthening peace, democracy, cooperation and economic development thus enhancing the European and Euro-Atlantic processes. The inclusion of the FRY in the Stability Pact will make it possible for the Pact to reach its full potential. Expressing our high appreciation for the efforts of the Stability Pact Special Coordinator, Mr. Bodo Hombach, as well as our expectations with respect to the prompt implementation of the already selected projects from the Quick Start package within the three Stability Pact Working Tables, we have underlined the need for convening a Second Regional Funding Conference, to take place in the first half of 2001, preferably in Bucharest as proposed by the Romanian Government.

Reaffirming our support to the democratic processes in FRY, as expressed at the SEECP Informal Summit held in October 2000 in Skopje, we welcomed the commitment of FRY to pursue further the policy of democratic reforms, reconciliation and readiness for cooperation with the International Community, European institutions, as well as within the region and with its neighbors. We support the authorities and people of FRY in continuing their efforts towards the achievement of full democracy, respect for human rights and the rule of law, respect for and protection of minorities rights, market economy reforms, regional cooperation, and compliance with obligations under the Dayton/Paris Peace Agreement and the United Nations Security Council Resolution 1244, including cooperation with ICTY. The progress in implementation will open new prospects for peace and stability in South-Eastern Europe.

We have confirmed our support for the full and consistent implementation of the UNSCR 1244, as well as for the continued action jointly carried out by UNMIK and KFOR to that end. We underline our full support to the efforts of the UN Secretary General Special Representative for Kosovo for accomplishment of his mission including the preparation of all necessary conditions for elections in Kosovo, FRY, in order to create a body composed of democratically elected representatives of all communities. We welcome the commitment of the Yugoslav authorities to respect the provisions of UNSCR 1244 and the Kumanovo Military Technical Agreement. We have strongly condemned the use of violence, terrorism and extremism and any act which makes the co-existence of communities more difficult and which prevents the return of refugees and internally displaced persons. In this context, we have expressed grave concern over the recent waves of ethnically motivated violence and extremism in Kosovska Mitrovica. Furthermore, we welcome the efforts of the International Community and Yugoslav initiative for the start of a positive and constructive political dialogue. We expect that the issues such as release of the political prisoners and missing persons be addressed without delay.

We have strongly condemned the violent and illegal terrorist actions, by the ethnically motivated extremist armed groups in South Serbia, FRY, which could have the effect of destabilizing the situation in the region and we call for an immediate and complete cessation of violence in this area. We welcomed the adoption of the plan by FRY and Serbian Governments with regard to the solution for the situation in the municipalities of Presevo, Bujanovac and Medvedja in South Serbia. We have considered that international assistance for the economic and social development of this area will constitute a valuable contribution for its stabilization as well as for the overall regional development and for the realization of infrastructure projects.

Reaffirming our conviction that any renegotiation of the federal relationship must be consistent with internal stability of FRY and regional stability of South - Eastern Europe, we have encouraged the Federal and both Republican authorities in their efforts to reach an mutually acceptable agreement through an open and democratic process, avoiding any unilateral action which can jeopardize it.

We considered that the current Romanian Chairmanship in Office of the OSCE reflects SEE's commitment to contribute to the enhancement of the overall security in Europe.

We have expressed our strong political will to continue and enhance the cooperation in combating terrorism, organized crime, corruption, trafficking in people, illicit drugs and arms trafficking, which constitute a threat to the overall security, democratic processes and economic development in South-East Europe.

We have expressed our firm belief that the continuation of the process of NATO enlargement with qualified applicant states in South Eastern Europe will further strengthen regional and Euro-Atlantic security and stability. We have also stressed NATO's security building role in the region through its Southeast Europe Initiative and we expressed our readiness to continue to coordinate efforts in the field of regional defense and security cooperation. We have recognized continued NATO's and other countries' input through KFOR and SFOR for ensuring of peace and security in the region.

We have welcomed the positive development of the Southeast Europe Defense Ministerial (SEDM) process which continues as a valuable framework for regional cooperation in the field of defense and security and for fostering the partnership links with Euro-Atlantic security and defense structures and operations. We encourage early operational readiness of the Multinational Peace Force South Eastern Europe.

We expect a positive input from the results of the forthcoming regular and parallel meetings within the SEECP to be held in March 2001 in Skopje, such as the Conference of the Speakers of Parliaments of South-East Europe, Meeting of Ministers, i.e. Directors of the agencies for youth and sports, then meeting of NGO's from SEE, Meeting of Journalists in SEE and Meeting of the Ministers of Health in SEE.

We have expressed our high appreciation for the activities carried on by our Ministers of Foreign Affairs since the last SEECP Summit in Bucharest, which contributed to a great extent to the promotion of this regional initiative in the international framework. In this context, we have taken note with satisfaction of the further international recognition it received during the years 2000/2001, with the participation in the last OSCE Ministerial Council and other regional and international fora. Furthermore, we have also commended the productive work of the Political Directors and we are looking forward for the continuation of their work in parallel with the further development of the Process.

We have expressed our warm thanks for the hospitality of President Boris Trajkovski in hosting the Skopje Summit Meeting of the South-East European Cooperation Process.

We have decided that the next meeting of the Heads of State and Government of the SEECP participating countries will take place in Tirana at the beginning of year 2002.

FOURTH SUMMIT OF HEADS OF STATE AND GOVERNMENT OF SEECP PARTICIPATING COUNTRIES

Skopje, 22-23 February 2001

ACTION PLAN FOR REGIONAL ECONOMIC COOPERATION

Starting with the commitments to promoting good neighborly relations, security, stability and achievement of economic prosperity in the region of Southeast Europe,

Recalling the SEECP Summit and Ministerial declarations, as well as the Charter of Good Neighborly Relations, Stability, Security and Cooperation in Southeast Europe,

Taking into consideration the level of developed cooperation in the framework of the SEECP as a comprehensive framework directly established by the countries of the region,

Reaffirming the European and Euro-Atlantic orientation of the SEECP countries,

Stressing the commitment to make more effective use of the SEECP as an important resource that will complement and not substitute the individual efforts of the countries towards their rapprochement with the EU,

Convinced that promotion of the regional economic cooperation will contribute the SEECP countries to develop faster and to accelerate their integration processes into the EU,

Having in mind the activities undertaken by the Stability Pact, SECI, BSEC, CEI and other relevant regional initiatives,

Emphasizing the lasting commitment to reforms and cooperation as a necessary condition for the overall development of the SEECP countries and the Region as a whole,

Striving to focus international action for the benefit of Southeastern Europe

the Heads of State and Government of the SEECP countries adopted the following:

Action Plan for Regional Economic Cooperation

The Action Plan focuses on those sectors where considerable synergy could be achieved through coordinated efforts in the framework of the SEECP and aims at:

- Directing the SEECP activities towards the main objectives in the economic field of the regional cooperation;

- Focusing the cooperation on concrete programs, projects and activities that will be initiated, developed and implemented in the short and medium run;

- Identifying concrete priority projects and programs of regional interest and examining the ways and means for their implementation;

- Facilitating the coordination of the SEECP activities with the relevant programs of the European Union, International Financial Institutions and of other regional initiatives.

I. Economic and Social Development and Progress of the Reforms in Southeast Europe

The Heads of State and Government consider that while considerable progress has been made in liberalization and in privatization, progress in structural reforms should be enhanced. They agreed that high priority should be given to the following areas:

- private sector development, improvement of businesses competitiveness, in particular through liberalization of trade, improvement of regulatory environment and strengthening of the financial sector;

- Institutional development and capacity building, through enhancing the public administration efficiency, improving central financial mechanisms, and harmonization of legal and judiciary systems with European standards;

- Transparency and good governance, are crucial for all dimensions of society having a highly relevant impact on economy and contributing to growth, macroeconomic stability and fair competition within the market economy;

- Environmental protection policy, protecting the region's natural resources, especially through the implementation of the sustainable development principle and financing environmental protection projects;

- Social development and social cohesion as an integral part of sound economic development and growth, which contribute to the reduction of poverty and social

exclusion and will facilitate the integration of SEECP countries into the political and economic mainstream of Europe.

II. Trade Development

The Heads of State and Government reaffirm their conviction that further liberalization of trade, undertaken also by the countries of the region, will better serve their national economies. They welcome the decision of the EU for the unilateral preferential measures offered to the SAP countries.

Stressing the importance of intensive trade development as a significant factor for accelerated economic growth of the region, the SEECP countries will continue:

- to undertake structural reforms needed to support the overall trade liberalization;

- to strengthen the process of trade liberalization among the SEECP countries and with the EU;

- to undertake concrete coordinated initiatives and steps directed at creating the necessary conditions for:

  - Improvement and facilitation of the movement of persons, goods and services across the borders in the SEECP region;

  - Improved personnel management of border crossings, harmonization of border procedures, according to the international standards and especially those of the EU and the WTO, optimizing the use of existing and developing new facilities. Further approximation of legislation will be carried out where needed;

  - Reduction of the costs for trade and transport;

  - Strengthening regional partnerships aiming at promoting regional trade;

  - Prevention of smuggling and corruption in the field of trade;

  - Conclusion of Free Trade Agreements among the countries in the region in compliance with WTO rules and in accordance with the processes relevant to each country's individual relationship with the EU;

  - Decrease of non-tariff measures that hinder trade in commodities;

  - Adoption of rules of origin according to the WTO provisions;

  - Closer cooperation in the banking sector and harmonization with the international banking system;

- Support of the accession process of all SEECP countries to the WTO.

In this context, they suggested the Ministers of Trade to hold regular meetings and to work jointly towards achieving these goals. At the same time, intensive cooperation within the framework of the Balkan Regional Center for Trade Promotion in Ankara should be enhanced to further develop the economic and commercial cooperation among the SEECP countries.

Contributions from the Association of Balkan Chambers, Unions of Chambers of Commerce, as well as business associations, which have a longstanding experience in promoting trade in the region, are highly appreciated.

III. Promotion of Foreign Direct Investment

The Heads of State and Government consider that sustained economic development can be achieved only with a stable and safe environment for the private sector. In this context, they emphasize the need for creation of a secure and transparent legal investment framework in the SEECP region, including adequate protection of property rights, fair and non-discriminating taxation, market based competition and transparent administrative practices.

In addition, they stressed the importance that the SEECP countries attach to the implementation of the Stability Pact Investment Compact.

The Heads of State and Government underlined the need for SME development based on the improved business environment, that represents a key objective for all SEECP countries. Furthermore, there is a need for effective strategies to promote SME in the region that will tackle the areas of finance, improvement of the business environment and the strengthening of SME support network. At the same time, they gave their support to the Coordination Group of the OECD within the framework of the Stability Pact Working Table II and its efforts for the finalization of the road map with the active participation of public, private and civil society institutions, and encourage the activities carried out at the OECD Private Sector Development Center in Istanbul.

They called upon the Ministers in charge of the investment and SME issues of the SEECP countries to hold regular meetings in order to coordinate their joint efforts for accomplishing these objectives. The financial contribution from the international community will be also necessary to that end.

IV. Infrastructure Development

The Heads of State and Government are convinced that the overall economic growth and prosperity in the SEECP region is impossible without comprehensive activities for rehabilitation, construction and interconnection of the regional infrastructure. A

developed transport, energy, telecommunication and water infrastructure is essential to the free movement of persons and trade, as well as to the enhancement of social cohesion and integration. In light of the Second Regional Funding Conference under the Stability Pact, planned for later this year, they stressed the SEECP readiness to work with donor agencies and the international financial institutions to implement regional strategies that address our most pressing infrastructure requirements. They underlined their commitment to formulating project proposals that are part of overall strategic approaches dedicated to developing infrastructure networks of regional impact and importance.

1. Transport

The Heads of State and Government consider that the SEECP countries should take full advantage of the conclusions drawn by the European Agencies and Programs, International Organizations and IFI's, in order to attract the necessary funding to existing transport sector projects in particular to those related to the development of the Pan -European Transport Corridors. Aiming at developing regional transport infrastructure as an integral and inseparable part of the Pan-European Transport Network, they also consider the construction of lacking elements of national transport networks and the establishment of transport interconnections with neighbouring countries, to be a task of prior significance.

The Heads of State and Government consider that within this framework the SEECP is capable to give its contribution to bringing more benefit from the multi-country approaches in the Transport Sector, in particular through:

- Identification and harmonization of regional investment and development programs;

- Identifying investment needs and establishment of their utilization dynamics;

- Preparation of commercially footed investment projects which take into account both national and regional interests.

- Exploring the means of providing investment funds through public-private sector cooperation

With reference to different modes of transport, the Heads of States and Government made the following considerations:

a) Roads – Having in mind that the road network in the region is mostly in poor condition, priority should be given to rehabilitation of the existing highways and to construction of new highway lanes.

b) Railways - The restructuring and opening to the private sector of these technical-technological systems could provide for efficient management and cost-effective operations, what on its part is to contribute to and facilitate the provision of

larger funds aimed at improvement of the quality of services. The modernization of railway lines, as well as the establishment of interconnections between the rail networks of SEECP countries is a matter of basic importance. For this purpose they should coordinate their strategies for national development and applications for funding from IFI's.

c) Maritime and transport by inland waterways. - Being aware of the state of river and maritime ports in the region, the Heads of State and Government asserted that efforts should be directed towards ports' rehabilitation, construction of new terminals and introduction of modern information and telecommunication technologies.

- The rapid implementation of the project concerning the clearance of the Danube river - an issue of paramount importance for some of the countries in the region - is in line with the enhanced regional cooperation the SEECP countries are striving for.

2. Telecommunications

SEECP gives high priority to the establishment of a legal and regulatory framework, including with reference to the Information Technology, that encourages and provides long-term support for investments. These instruments of reform policy include the progressive opening of different segments of the telecom market, facilitating private investment, including in the area presently controlled by the state monopoly operators.

The Heads of State and Government suggested to cooperate with the other regional initiatives working on similar matters to prevent time consuming duplications and convening of regular meetings of the Ministers of Transport and Communications in order that concrete projects of wider regional interest are defined.

3. Energy

The Heads of State and Government consider that the availability of reliable and low cost sources of energy is essential for the rapid and sustainable economic development of the overall SEECP region. A coordinated approach to energy supply offers significant advantages in terms of improved utilization of existing production capacities, as well as in optimizing future investment and stimulating use of alternative energy sources. This approach provides significant benefits from increased consistency and quality of supply, reduced environmental damage and electricity trade opportunities. It could enable optimized investment decisions to be made for gas as well as for pipeline networks.

Taking into account the difficulties to raise adequate funding from traditional sources, the Heads of State and Government stressed that it will be important to make progress in the commercialization of utilities and also in private investment in funding infrastructure development.

Having in mind the cooperation so far within the Process, as well as work done by the other regional fora, they took note for the forthcoming meeting of the Ministers in charge for energy issues, to be held in Athens.

Taking into consideration the present situation and urgent needs of some countries of the region, they underlined the necessity of re-establishment of the interconnection of high voltage electrical transmission lines within the region and with UCTE.

V. Combating Organized Crime and Corruption

The Heads of State and Government are committed to comprehensive and decisive measures to combat corruption. Furthermore, they are committed to promoting the cooperation in the fields of justice, combat against organized crime, elimination of terrorism, illicit drugs, arms and human trafficking. In this context, it is suggested that the competent Ministers of the SEECP countries hold regular annual meetings with the aim of discussing problems arising from the illicit activities and to take concrete actions for their prevention. To this end, the SEECP countries are fully committed to work towards fulfilling the Stability Pact Organized Crime Initiative and Stability Pact Anti-Corruption Initiative. They fully support the SECI Bucharest Regional Center for Combating Transborder Crime and they agreed on the importance of the full involvement of the EU institutions in order to achieve full compatibility of the Center's activities with the EU acquis.

VI. Environment

The Heads of State and Government are committed to coordinate the efforts to protect the environment. The need for this in the future will become evermore increasing, having in mind the increasing needs for clean drinking water, provision of healthy food and qualitative living conditions for the population. Further qualitative development of environmental protection, based on the sustainability principle, will be stimulated through foreign investments, in the form of donations, direct or joint investments, and by stimulating the domestic financial potential.

In this context, it is suggested to organize regular meetings of Ministers of Environment, in order to have prompt information exchange, coordinate joint efforts in prevention policy, conclusion of bilateral and regional agreements and concrete realization of cross border projects in this field.

Furthermore, for purposes of realization of projects on promotion of cooperation in the field of environment, it is suggested to consider the necessity of establishing an information exchange system for environmental monitoring in the regional context.

After a decade of conflicts, the issue of environmental rehabilitation is of paramount importance. There is an urgent need to address the most affected parts of the area. Public concern further underline this necessity. An integrated assessment is needed involving the opinion of various international agencies, including a specific roles for

the European Agency for the Environment, UNEP and WHO. The Heads of State and Government took note with interest of the Greek proposal for establishing of a joint EU-SEECP-UN working group charged with environmental monitoring. They stressed the importance of international financial support for environmental rehabilitation. Accordingly, they mandated the MFA's to further pursue the issue.

VII. Transfrontier Cooperation

The Heads of State and Government encouraged the creation of Euroregions in South East Europe, in cooperation with the Council of Europe and the Stability Pact.

They considered that cooperation between regions situated on either side of a border is important for the economic, cultural and social development of the regions concerned, as well as for the protection of the cultural heritage and the environment. The creation of Prespa Park illustrated the benefits of such cooperation for all countries of the region.

The Heads of State and Government called upon the Ministers of Foreign Affairs to further examine the possibility to deepen the cooperation in this field.

VIII. Implementation and Monitoring

The Heads of State and Government tasked the Ministers of Foreign Affairs to formulate proposals for monitoring the implementation of the activities foreseen in the Action Plan.